

November 27, 2018

Via ePUC and First Class Mail

Ms. Judith Whitney, Clerk
Vermont Public Utility Commission
112 State Street, Drawer 20
Montpelier, Vermont 05620-2701

Re: Case No. 18-0974-TF – Tariff filing of Green Mountain Power requesting a 5.45% increase in its base rates effective with bills rendered January 1, 2019, to be fully offset by bill credits through September 30, 2019¹

Dear Ms. Whitney,

Green Mountain Power ("GMP") is in receipt of the public comment letter filed by Brian Winn on November 27, 2018 with the Public Utility Commission ("Commission" or "PUC") in the 2019 Rate Case, and related dockets, and writes to respond briefly to the letter.

GMP disagrees with Mr. Winn's suggestion that this case has not been vigorously litigated. As the Commission is well aware, the parties to this proceeding have conducted a detailed review of GMP's proposed rate request, including extensive prefiled testimony, discovery, and a full technical hearing. This included hundreds of pages of testimony from more than 15 expert witnesses on either side of the case. DPS and GMP continue to dispute a number of items and the Commission will need to resolve the issues presented.

A number of Mr. Winn's statements are also factually incorrect and mischaracterize the evidence in this proceeding. As just one example, Mr. Winn's comments regarding GMP's proposed Joint Venture Solar/Storage projects do not correctly describe GMP's proposal and the analysis supporting those projects, and instead ignore the extensive information already submitted to the Commission on the value of these projects for customers.

As GMP's testimony explained, GMP is pursuing these innovative projects because they provide a range of important benefits for customers and will reduce costs for customers by a total of \$5.4 million over the life of the projects.² The projects contribute to satisfying customers' energy and capacity needs, thereby promoting stable rates for customers. The projects also reduce costs of buying transmission and ancillary service costs by reducing peak loads for our customers, costs that are largely outside of GMP's control.³ Contrary to Mr. Winn's suggestion, GMP did consider a range of alternative approaches to achieve these same benefits, including discussing options with competing battery suppliers, and found that the selected proposal provides the greatest net benefit

¹ This document is also being filed in Case Nos. 18-1633-PET, 18-3160-PET, and 18-2850-TF.

² Shield pf. at 15.

³ Shields rebuttal pf. at 2.

for customers.⁴ GMP also considered other alternatives to achieve this same type of peak reduction, commonly referred to as demand response, and found that the JV Solar/Storage projects are one of the best options.⁵

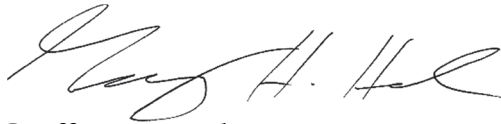
Mr. Winn contests GMP's proposal to return financial benefits associated with the projects to customers upfront, rather than spread out the financial benefits over the life of the Project. Contrary to Mr. Winn's suggestion, GMP's proposed approach to returning these benefits is not unusual – in fact, as GMP has previously emphasized, this approach is exactly the same as the regulatory accounting methodology the PUC approved for other similar GMP solar projects.⁶ It is also the best approach for customers. At Mr. Winn's request, GMP prepared a detailed analysis specifically evaluating the difference in returning these project benefits up front or giving the benefits back slowly over the 25-year life of the projects, as Mr. Winn was advocating. That analysis showed unequivocally that returning the benefits up front was better financially for GMP's customers, providing a net present value that was \$400,000 greater compared to the 25-year amortization approach.⁷ Mr. Winn's comments do not address, and certainly do not refute this record evidence, but instead ignore this evidence, and other extensive supporting testimony explaining how the projects benefit customers. This is just one of many instances where Mr. Winn's comments fail to account for or acknowledge the extent to which the issues he raises have already been extensively litigated in this case.

In his prefiled testimony in this case, Mr. Winn testified that the projects should be included in this case if GMP is able to provide assurances that the anticipate benefits of the project's will accrue to customers. GMP and DPS ultimately reached a resolution in the separate 248 proceeding on the best way to accomplish that purpose, and Mr. Winn then testified under oath that "this MOU provides adequate financial assurances for ratepayers."⁸

GMP respectfully requests that the Commission reach a decision in this case based on the testimony and evidence in the record. As always, the full team at GMP is available to answer any questions the PUC may have.

Please let us know if the Commission requires anything further to aid its consideration of these matters.

Sincerely,



Geoffrey H. Hand, Esq.

DUNKIEL SAUNDERS ELLIOTT RAUBVOGEL AND HAND, PLLC
Attorneys for Green Mountain Power

⁴ Shields rebuttal pf. at 2.

⁵ Castonguay rebuttal pf. at 25.

⁶ Ryan rebuttal pf. at 11.

⁷ Ryan pf. at 19-20; Exh. GMP-ER-15.

⁸ Winn surrebuttal pf. at 19.